

Fruit and Vegetable Industry Advisory Committee
Holiday Inn Central, 1501 Rhode Island Avenue NW, Washington, D.C.
January 23-24, 2007

APPROVED MINUTES

This summary of the January 23-24, 2007, was approved by the full Fruit and Vegetable Industry Advisory Committee without changes. A number of presenters at the meeting used Microsoft PowerPoint slides to convey information; the slides are available for viewing at www.ams.usda.gov/fv.

Attendees:

Danny Arnold, A-W Produce Company; **Gordon Bowman**, Bowman Apple Products; **Wayne Brandt**, Brandt Farms; **William Brim**, Lewis Taylor Farms; **Charles Ciruli**, Ciruli Brothers/Amex Distributing; **Jim Corby**, Food Lion; **Jeffrey Crist**, Crist Brothers Orchards; **Scott Danner**, Liberty Fruit Company; **Matthew D'Arrigo**, D'Arrigo Brothers of New York; **A.G. Kawamura**, California Department of Food and Agriculture; **Jan Kerns**, Kerns Rainbow Ranch; **Helen Masser**, Stermann Masser; **Matt McInerney**, Western Growers Association; **Todd Michael**, Michael Farms; **John Millwater**, YUM! Brands; **Paul Palmby**, Seneca Foods; **David Patterson**, Patterson Farms; **Dan Richey**, Riverfront Groves/Riverfront Packing Company; **John Shelford**, Naturipe Farms; **Steffanie Smith**, Taylor Farms; **Lisa Strube**, Strube Celery and Vegetable Company; **Michael Stuart**, Florida Fruit and Vegetable Association; **Tim York**, Markon Cooperative; **Robert Keeney** (Executive Secretary), USDA Agricultural Marketing Service; and **Andrew Hatch** (Designated Federal Official), USDA Agricultural Marketing Service

Absentees:

Steve Junqueiro, Save Mart Supermarkets; and **Susan Matsushima**, Alluvion Inc.

Observers:

Casey Wong-Buehler, National Association of State Departments of Agriculture
Linda Calvin, USDA Economic Research Service
Diane Coates, U.S. Apple Association
Lane Council, California Farm Bureau Federation
Jim Craner, Oregon Department of Agriculture
Jim Cranney, U.S. Apple Association
Anne Dec, USDA Agricultural Marketing Service
Lorelei DiSogra, United Fresh Produce Association
Trista Etzig, USDA Agricultural Marketing Service
Nancy Foster, U.S. Apple Association
Donna Garren, National Restaurant Association
David Gombas, United Fresh Produce Association

Robert Guenther, United Fresh Produce Association
Tom Karst, Vance Publishing
Richard Kinney, Florida Citrus Packers
Kelli Ludlum, American Farm Bureau
Randle Macon, USDA Agricultural Marketing Service
Kathy Means, Produce Marketing Association
Tom O'Brien, Thelen Reid and Priest
Blake Patton, National Association of State Departments of Agriculture
Laura Phelps, McLeod, Watkinson and Miller
Blair Richardson, California Tree Fruit Agreement
Zachery Richardson, *Free Chemical News*
Leanne Skelton, USDA Agricultural Marketing Service
Tom Stenzel, United Fresh Produce Association
Bruce Summers, USDA Agricultural Marketing Service
Rayne Thompson, California Farm Bureau Federation
Elizabeth Wise Vaughn, Food Marketing Institute
Autumn Veazey, United Fresh Produce Association

This was the ninth meeting of the Department of Agriculture (USDA)-chartered Fruit and Vegetable Industry Advisory Committee (Advisory Committee). The meeting took place on January 23-24, 2007, at the Holiday Inn Central, 1501 Rhode Island Avenue NW, Washington, D.C. This was the second meeting since the Advisory Committee was re-chartered for two years by USDA in June 2005.

January 23, 2007 -- At 8:10 a.m., the Advisory Committee's Designated Federal Official Andrew Hatch reviewed administrative matters with Advisory Committee members. The Advisory Committee approved the minutes describing the June 2006 meeting without changes. Executive Secretary Robert Keeney and Chairman Todd Michael highlighted portions of the agenda and led the room through introductions.

Comments from Observers

The United Fresh Produce Association's Lorelei DiSogra spoke to the Advisory Committee about the Fruit and Vegetable Snack Program, an initiative that got its genesis in the 2002 Farm Bill and was extended in the Child Nutrition and WIC Reauthorization Act of 2004. Ms. DiSogra explained that proponent groups are seeking \$300 million in mandatory funding in all 50 States in each year of the 2007 Farm Bill, a measure that would result in fresh fruits and vegetables being provided free to approximately 10 percent of all U.S. schools.

The Florida Citrus Packers' Richard Kinney raised the issue of U.S. citrus growers having to pay for the right to grow citrus varieties that were developed with U.S. tax dollars, while, at the same time, competing against those same varieties imported into the U.S. marketplace. Ensuing discussion highlighted policies that are similarly affecting domestic producers of other commodities. At the same time, U.S. producers do not have access to varieties developed in other countries. Advisory Committee members asked that this issue be included in the agenda for their next meeting.

Women, Infants and Children (WIC) Program

USDA's Kate Houston described the process that is underway to amend WIC food categories so that they more accurately target nutrients for intended populations. Ms. Houston anticipates that USDA's Food and Nutrition Service (FNS) will publish the Interim Final Rule in the *Federal Register* by September 2007. The Proposed Rule was published in August 2006 with a 90-day comment period. The Interim Final Rule will implement new program regulations until the Final Rule is released and will address the IOM's recommendations to include increased amounts fruits and vegetables. The Advisory Committee encouraged FNS to meet its September 2007 timeframe.

PACA Working Group

Working Group Chairperson Scott Danner summarized the working group's four conference calls with Perishable Agricultural Commodities Act specialists at AMS since the June 2006 meeting. Mr. Danner presented three options for the full Advisory Committee to consider on addressing PACA budget issues. The working group's options proposed: (1) implementing a fee structure associated with industry members requesting PACA audits in connection with reparation complaints; (2) raising license fees in Fiscal Year 2010; and (3) increasing complaint filing fees. The full Advisory Committee accepted each option and approved them as final recommendations for the Secretary of Agriculture's consideration.

Specialty Crop Block Grant Program

AMS' Trista Etzig updated the Advisory Committee on the progress AMS has made in implementing the Specialty Crop Block Grant Program. Ms. Etzig stated that AMS has begun accepting grant applications from state departments of agriculture and that applications are due by September 11, 2007. She explained that AMS will award grants to the states according to projects outlined in their approved proposals. AMS is maintaining contact with each agricultural agency to answer their questions about all aspects of the grant program and to work toward getting each agency's proposal approved and funded.

Food Safety

Advisory Committee Executive Secretary Robert Keeney introduced the topic of food safety by posing questions that showed the magnitude of the problem that must be overcome in dealing with outbreaks linked to fruits and vegetables. After considerable debate, participants reached consensus that industry needs to be proactive in a unified approach when speaking with Congressional lawmakers on food safety matters. By the end of the session, the Advisory Committee advocated to Secretary Johanns a strong partnership between industry and the Federal Government and urging him to devote USDA resources, including critical research programs, to assist and support industry in initiatives to minimize food-borne illnesses.

A host of Advisory Committee members conveyed their opinions as growers, shippers, receivers, retailers or from the state government and trade association perspectives on the September 2006 E. coli outbreak linked to fresh spinach grown in California. AMS officials presented information on federal food safety audit programs and marketing agreements/orders that could compliment the U.S. produce industry's work in minimizing the incidence of food safety problems in their facilities.

In the midst of the debate, Tom Stenzel, from the United Fresh Produce Association, was recognized by the Advisory Committee and announced his organization's endorsement of mandatory, commodity-specific food safety standards enforced with government oversight, a resolution that was a result of United's winter meeting.

Secretary Johanns visited and expressed his views on the new Farm Bill that, in his words, will "make it possible for American farmers to compete effectively, not only domestically but internationally, not only for today but for years to come." Secretary Johanns highlighted favorable trends in the specialty crop industry and concluded by responding to a reporter's questions about trade negotiations, by stressing that USDA will finalize WIC amendments as quickly as possible, and by conveying the administration's support for the Healthy Forest Initiative and growing renewable, alternative fuels.

The meeting adjourned at 4:30 p.m. on January 23, 2007, and reconvened at 8:00 a.m. on January 24, 2007.

Agriculture Labor and Immigration

Sharon Hughes, from the National Council for Agricultural Employers, updated the Advisory Committee on the status of the AgJobs bill that has been passed by the Senate but not the House of Representatives when it was attached to the full comprehensive immigration reform effort. AgJobs, she explained, was reintroduced on both the House side and Senate side in January 2007 with bipartisan agreement, and her organization and other groups are meeting with leadership to get the bill considered this Spring.

Advisory Committee Discussion

Chuck Ciruli, as representative of the Advisory Committee's Global Competitiveness Working Group, presented topics that hinder the ability of particularly U.S. small- and medium-sized growers from participating in a global economy. Discussions progressed into a host of industry matters, ranging from year-round demand for fresh produce and the fragmentation of the industry, to the 2007 Farm Bill and the lack of surveillance detection that is allowing invasive species to harm U.S. agriculture.

The Advisory Committee disbanded the PACA Working Group and established a Food Safety Working Group that will, within 90 days from January 24, 2007, provide an interim report to the full Advisory Committee on their efforts to gather industry and government information germane to food safety and draft a recommendation for the full Advisory Committee's review.

Administrative Matters

The Advisory Committee agreed that a good time to gather again would be late-May or early-June 2007 in Washington, D.C. Requested agenda items include: (1) activities in the Animal and Plant Health Inspection Service and/or the Department of Homeland Security to combat invasive pests and diseases and to protect from bioterrorism; (2) procedures that the Biotechnology Regulatory Service follows in developing guidelines on fruit and vegetable plant genetics; (3) the level of state-by-state participation in the Food Stamp Program and other domestic food assistance programs; and (4) intellectual property rights on plant varieties developed in the United States. The group also requested feedback from AMS personnel prior to the next meeting on how USDA has responded to each of the Advisory Committee's recommendations dating back to April 2002.

The meeting adjourned at 11:15 a.m. on January 24, 2007.

The Advisory Committee finalized the following six recommendations/statements:

Recommendation: One of the greatest challenges to the produce industry and the environment is the continued challenge of dealing with invasive pests and diseases. The Fruit and Vegetable Industry Advisory Committee recommends the Department of Agriculture and the Department of Homeland Security deal with these issues with the highest order of priority.

Recommendation: The Fruit and Vegetable Industry Advisory Committee advocates a strong partnership between industry and appropriate Federal Government agencies to develop and ensure effective food safety standards that are consistent and applicable to all produce grown anywhere in the United States, or imported into the country. These standards must allow for commodity-specific food safety practices based on the best available science. The Committee urges the Secretary to devote the resources of USDA, including critical research programs, to assist and support industry in initiatives to enhance food safety.

Recommendation: The Fruit and Vegetable Industry Advisory Committee recommends that the Department of Agriculture amend Perishable Agricultural Commodities Act regulations for the purpose of implementing a fee structure associated with industry members requesting PACA audits in connection with reparation complaints. We propose that licensees pay \$1,000 and non-licensees pay \$3,000 per audit.

Recommendation: The Fruit and Vegetable Industry Advisory Committee recommends to the Secretary of Agriculture that PACA license fees be raised in Fiscal Year 2010 so that the PACA Trust Fund will not fall below 25 percent of the program's budget obligations before 2012.

Recommendation: The Fruit and Vegetable Industry Advisory Committee recommends to the Secretary of Agriculture that PACA complaint filing fees be raised to \$100 for informal complaints and \$500 for formal complaints.

Statement: The Fruit and Vegetable Industry Advisory Committee reaffirms the importance of agricultural labor in the production and distribution of agricultural commodities. We would strongly support legislation that would provide a legal labor force for agricultural producers, including, but not limited to, immigration and H2A reform. We also recognize the importance of the farmworker in our industry.

Andrew Hatch
AMS Fruit and Vegetable Programs
February 27, 2007